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# State of Utah

## Department of Commerce

### Division of Securities

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## NEWS RELEASE

October 15, 2007

### **Washington County Promoter, SGS Capital, Accused of Investment Note Fraud**

***Investors were told they would make 3% interest per month with no risk to their principal ...***

**SALT LAKE CITY, Utah** – An order to show cause was issued today against SGS Capital and its two promoters Steven L. Sunyich, of Washington County, and Melissa J. Sunyich Gardner, of Maricopa County, Arizona for taking at least \$200,000 from an investor based on a promise to pay 3% interest per month.

The Utah Division of Securities alleges that the investor was told his money would be paid to SGS Capital, then go directly to Founders Capital, where it would be invested in real estate. The investor was told Founders had real estate assets in excess of \$127 million and that even in the worst case scenario, he would receive a return of his principal. In February 2007, the investor wired \$200,000 to SGS Capital.

The investor later discovered that SGS sent his investment not to Founders Capital, but to Hunters Capital and Paul Bouchard. The Division of Securities also alleges that SGS and the Sunyiches did not tell the investor that they owed unpaid civil judgments of more than \$60,000 and failed to give the investor information about the true financial condition of SGS, Hunters Capital, and Founders, the risks of the investment, and how the money would be used to pay the 36% annual interest promised.

The investor received three interest checks, then the payments stopped. When the investor requested all of his principal back, he received \$30,000, but has been unsuccessful in getting the remaining \$170,000 returned. The order to show cause alleges that on July 19, Melissa Sunyich offered to repay the remaining investment amount by September 15, so long as the investor ceased communicating with Founders, Franklin Squires, and Hunters Capital. The investor ceased communications, but did not receive the promised payment.

The order to show cause accuses SGS, Sunyich and Gardner of engaging in securities fraud by misrepresenting information and failing to disclose necessary information. The Division seeks to impose a fine of \$250,000 against each of the entities named. A hearing will be held November 19 to determine whether SGS, Sunyich, and Gardner dispute the allegations against them.

Investors are urged to contact the Division to make sure anyone offering investments is licensed. 801.530.6600, or toll free at 1.800.721.7233. [www.securities.utah.gov](http://www.securities.utah.gov).